79. Considers that the individualisation of pension rights is necessary from a gender equality perspective, and that the security of many older women currently relying on widows’ pensions and other derived rights should be also ensured;

80. Points out that the Member States should support research into the impact of different pension indexation formulas on the poverty risk in old age, taking account of the gender dimension; calls on the Member States to take particular account of the evolution in people’s needs when ageing, e.g. long-term care, in order to ensure that elderly people, mainly women, are able to receive an adequate pension and live with dignity;

81. Instructs its President to forward this resolution to the Council and the Commission.
— having regard to the Council resolution of 1 December 1997 on a code of conduct for business taxation and to the report to the Council of the Code of Conduct on Business Taxation Group of 4 December 2012,

— having regard to the OECD Report ‘Addressing Base Erosion and Profit Shifting’ (2013),

— having regard to the ECOFIN Conclusions and ECOFIN Report to the European Council on tax issues of 22 June 2012,

— having regard to its resolution of 8 March 2011 on cooperating with developing countries on promoting good governance in tax matters (1),

— having regard to its legislative resolution of 19 April 2012 on the proposal for a Council directive on a CCCTB (2),

— having regard to the Communiqué following the Meeting of Finance Ministers and Central Bank Governors of the G20 which took place in Moscow on 15—16 February 2013,

— having regard to its resolution of 10 February 2010 on promoting good governance in tax matters (3),

— having regard to Rule 48 of its Rules of Procedure,

— having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Development and the Committee on Budgetary Control (A7-0162/2013),

A. whereas an estimated and scandalous EUR 1 trillion of potential tax revenue is lost to tax fraud, tax evasion, tax avoidance and aggressive tax planning every year in the EU, representing an approximate cost of EUR 2 000 for every European citizen each year, without appropriate measures being taken in response (4);

B. whereas this loss represents: a danger for the safeguarding of a EU social market economy based on quality public services; a threat to the proper functioning of the Single Market; a dent to the efficiency and fairness of tax systems within the EU; and a risk to the ecological transformation of the economy; whereas it produces and further facilitates socially detrimental profiteering which leads to growing inequality, increases citizens’ mistrust in democratic institutions and cultivates an environment of democratic deficit;

C. whereas an important part of fiscal sustainability is securing our revenue basis;

D. whereas tax fraud and tax evasion constitute an illegal activity of evading tax liabilities, while, on the other hand, tax avoidance is the legal but improper utilisation of the tax regime to reduce or avoid tax liabilities, and aggressive tax planning consists in taking advantage of the technicalities of a tax system, or of mismatches between two or more tax systems, for the purpose of reducing tax liability;

E. whereas tax avoidance practices, which are facilitated by the increasing dematerialisation of the economy, lead to distortions of competition harmful to European undertakings and growth;

F. whereas the scale of tax fraud and tax avoidance undermines citizens’ trust and confidence in the fairness and legitimacy of tax collection and the fiscal system as a whole;

G. whereas the lack of coordination of tax policies in the EU leads to significant cost and administrative burden for citizens and businesses operating cross-border within the EU, and may result in unintended non-taxation or lead to tax fraud and tax avoidance;

(1) OJ C 199 E, 7.7.2012, p. 37
H. whereas the persistence of distortions caused by non-transparent or harmful tax practices on the part of jurisdictions acting as tax havens can lead to artificial flows and negative effects within the EU internal market; whereas harmful tax competition within EU is clearly against the logic of the single market; whereas more efforts are needed to harmonise tax bases within an ever-closer economic, fiscal and budgetary Union;

I. whereas countries under assistance programmes have in recent years — after having stepped up tax collection and eliminated privileges in line with Troika proposals — seen many of their larger companies leave in order that they may benefit from tax privileges offered by other countries;

J. whereas in practice this has shifted the tax burden onto workers and low-income households and forced governments to make damaging cutbacks in public services;

K. whereas the job cuts made in a majority of the Member States’ national tax authorities through austerity measures over the past years have greatly jeopardised the implementation of the Commission’s Action Plan;

L. whereas multinational companies’ use of tax avoidance practices conflicts with the principle of fair competition and corporate responsibility;

M. whereas the response of some taxpayers to the steps taken by Member States to remedy the lack of transparency has been to route business transactions through another jurisdiction with a lower level of transparency;

N. whereas unilateral national measures have in many cases proven ineffective, insufficient and in some cases even detrimental to the cause, and this necessitates a coordinated and multi-pronged approach at national, EU and international level; whereas the effective fight against tax fraud, tax evasion, tax avoidance and aggressive tax planning requires strongly reinforced cooperation between the tax authorities of different Member States as well as reinforced cooperation of the tax authorities with other law enforcement authorities within a given Member State;

O. whereas, as stated by the OECD in its report ‘Addressing Base erosion and Profit Shifting’, the fundamental policy issue to be tackled is the fact that the international common principles drawn from national experiences to share tax jurisdiction have not kept pace with the changing business environment; whereas a more active role of the Commission and the Member States is required in the international arena to work for the establishment of international standards based on principles of transparency, exchange of information and abolition of harmful tax measures;

P. whereas developing countries do not have the bargaining power to force tax havens to cooperate, exchange information and become transparent;

Q. whereas investigative journalists, the non-governmental sector and the academic community have been instrumental in exposing cases of tax fraud, tax avoidance and tax havens and duly informing the public thereof;

R. whereas the strengthening of the means of detecting tax fraud should be accompanied by the reinforcement of existing legislation on assistance in the recovery of taxes, equality in tax treatment and practicability for businesses;

S. whereas European finance ministers, meeting at the G20 gathering in Moscow in February 2013, vowed to take the necessary action in tackling tax avoidance, and confirmed that solely national measures will not deliver the desired effects;

T. whereas transfer pricing resulting in tax avoidance negatively affects the budgets of developing countries by forcing on them an estimated loss of circa EUR 125 billion in tax revenues annually, almost twice the amount they receive in international aid;

U. whereas the power to legislate on taxation is currently vested in the Member States;
1. Welcomes the Commission's Action Plan and its recommendations urging Member States to take immediate and coordinated action against tax havens and aggressive tax planning:

2. Welcomes the determination expressed by the G20 finance ministers to address base erosion and profit shifting:

3. Urges the Member States to follow up on their commitment, embrace the Commission's Action Plan, fully implement the two recommendations; insists that the Member States engage in serious negotiations, complete the procedures for all pending legislative proposals and apply measures regarding issues of tax fraud, tax evasion, tax avoidance, aggressive tax planning and tax havens in their dependent territories:

4. Deplores the fact that the Member States have not yet managed to reach an agreement on key legislative proposals such as the 2008 proposal to amend the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments or the 2011 Proposal for a Council Directive on a Common Consolidated Corporate Tax Base;

5. Regrets the lack of substantial progress to the date in the area of taxation in the framework of the commitments of the Euro Plus Pact;

6. Welcomes the Commission's initiative to establish a 'Platform for Tax Good Governance'; calls on the Commission to monitor closely the implementation of both recommendations in all Member States, and to consult and involve in the workings of the Platform also the national tax workforce, social partners and trade unions; calls on the Commission to submit to the Council and Parliament, on a yearly basis, a report on the work and achievements of the Platform;

7. Considers that the scope and severity of the problem, and the urgency of actions needed, are highlighted by the information on secret off-shore bank accounts published in April 2013 by the International Consortium of investigative journalism; calls once more, in light of this, for a strengthened European and international commitment to transparency that should result in an international, binding, multilateral, agreement on the automatic exchange of information in tax matters;

The EU’s role in the international arena

8. Emphasises that the EU should take the leading role in discussions on the fight against tax fraud, tax avoidance and tax havens in the OECD, the Global Forum on Transparency and Exchange of information for Tax Purposes, the G20, the G8 and other relevant multinational fora; urges the Commission and the Member States consistently to highlight on the international arena the paramount importance of reinforced cooperation in the fight against tax fraud, tax evasion, tax avoidance, aggressive tax planning and tax havens; stresses that the EU should, where appropriate, persuade non-EU countries to build up and improve the efficacy of their respective tax collection systems by subscribing to the principles of transparency, automatic exchange of information and abolition of harmful tax measures, and to assist them in doing so; encourages the Commission and the Council to upgrade their technical assistance and capacity building efforts in developing countries;

9. Considers it of paramount importance that Member States authorise the Commission to negotiate tax agreements with third countries on behalf of the EU instead of continuing with the practice of bilateral negotiations producing sub-optimal results from the point of view of the EU as a whole and often also of the Member State concerned;

10. Stresses that Member States that have received (1) or are seeking financial assistance have an obligation to implement measures designed to strengthen and improve their capacity to collect tax and tackle tax fraud and tax evasion; urges the Commission to extend this obligation to encompass measures tackling money laundering, tax avoidance and aggressive tax planning:

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(1) Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area.
11. Calls on the Commission to refrain from granting EU funding, and to ensure that Member States do not provide state aid or access to public procurement to companies that breach EU tax standards; calls on the Commission and the Member States to require a disclosure of information related to penalties or convictions for tax-related offences for all companies bidding for a public procurement contract; suggests that public authorities, while respecting obligations agreed under the revised Late Payments directive, are enabled to include a clause in a public procurement contract that allows them to terminate the contract if a supplier subsequently breaches the tax compliance obligations;

12. Calls on the Commission to propose common standards for tax treaties between Member States and developing countries, with the aim of avoiding tax base erosion for these countries;

13. Calls on the Commission to provide more budgetary resources and staff to DG TAXUD to help it develop EU policies and proposals concerning double non-taxation, tax evasion and fraud;

14. Calls on the Commission and the Member States to insist, in their respective relations with third countries, on the strict application of EU standards in tax related matters, in particular as regards future bilateral or multilateral trade agreements;

15. Welcomes the US Foreign Account Tax compliance Act (FATCA) as a first step towards an automatic exchange of information between the EU and the US to fight trans-border tax fraud and tax evasion; regrets, however, that a bilateral/intergovernmental approach has been taken in the negotiations with the US rather than a common EU negotiating position; regrets the lack of full reciprocity in the exchange of information; calls for the respect of the rights of data protection for EU citizens in this context;

16. Calls on the Commission and the Member States to review closely and duly implement the Financial Action Task Force (FATF) recommendations of February 2012;

Headline target — Addressing the tax gap

17. Calls on the Member States to commit to an ambitious but realistic target of at least halving the tax gap by 2020, since this would gradually create a significantly higher tax revenue potential without raising tax rates;

18. Acknowledges, furthermore, that broadening already existing tax bases, rather than increasing tax rates or introducing new taxes, could generate further incomes for the Member States;

19. Calls on the Commission at last to develop a comprehensive strategy, based on concrete legislative actions within the framework of the existing Treaties, to close the EU tax gap and make sure that all companies that have operations in the EU fulfil their tax obligations in all the Member States in which they operate;

20. Stresses that measures to reduce the tax gap and tackle tax havens, evasion and avoidance would result in fair and transparent competitive conditions on the internal market, help with fiscal consolidation while reducing sovereign debt levels, increase public investment resources, improve the efficiency and fairness of national tax systems, and raise general tax compliance levels, both in the EU and in developing countries;

21. Calls on the Commission and the Member States to enhance the use of the Fiscalis programme by integrating the tax gap strategy into it;

22. Asks the Commission to study the possibility of introducing European taxation on cross-border business models and electronic commerce;
ACTIONS PROPOSED BY THE EUROPEAN PARLIAMENT TO BE AT THE FOREFRONT OF THE EU TAX GAP STRATEGY:

On tax fraud and tax evasion

23. Urges the Member States to allocate adequate staff, expertise and budget resources to their national tax administrations and tax audit staff, as well as resources for the training of tax administration staff focusing on cross-border cooperation on tax fraud and avoidance, and to introduce strong tools against corruption;

24. Calls on the Commission to take immediate action with regard to the transparency of companies' tax payments by obliging all multinational companies to publish a simple, single figure for the amount of tax paid in each Member State in which they operate;

25. Stresses the importance of a Common Consolidated Corporate Tax Base (CCCTB), and calls on the Member States to agree and implement the directive on a CCCTB by moving gradually from an optional to a compulsory scheme, as defined in its legislative resolution of 19 April 2012 on the proposal for a Council directive on a CCCTB;

26. Is of the opinion that competent authorities should take action and suspend or revoke the banking licenses of financial institutions and financial advisors if they assist in tax fraud by offering products or services to customers enabling them to evade taxes or refuse to cooperate with tax authorities;

27. Welcomes the Commission's inclusion of the listing of tax crimes as predicate offences to money laundering in the scope of the new Anti-Money Laundering Directive (2013/0025(COD)) and calls for the directive's swift implementation; encourages the Commission to introduce proposals for a harmonised tackling of tax fraud under criminal law, in particular as regards cross border and mutual investigations; alerts the Commission to enhance its cooperation with other EU law enforcement bodies, in particular authorities responsible for anti-money laundering, justice and social security;

28. Calls on the Member States to remove all obstacles in national law that hinder cooperation and exchanges of tax information with the EU institutions and within the Member States, while also ensuring effective protection of taxpayers' data;

29. Calls on the Commission to identify areas where EU regulations, and the administrative cooperation between Member States, could be improved in order to reduce tax fraud, including through the appropriate use of the Fiscalis and Customs programmes;

30. Welcomes the adoption by the Council of the new framework for administrative cooperation, and calls on the Member States to implement this framework promptly;

31. Encourages the Member States to seek 'smoking gun' data on tax evasion from other government-maintained registers, such as databases on motor vehicles, land, yachts and other assets, and to share this with other Member States and the Commission;

32. Stresses the importance of implementing new strategies and making more efficient use of existing EU structures for improved combating of VAT fraud, especially carousel fraud; urges, in this respect, the Council promptly to adopt and implement the Directive amending Directive 2006/112/EC on the common system of value added tax as regards a quick reaction mechanism against VAT fraud;

33. Encourages the Member States to continue and upgrade, under the new Fiscalis 2020 programme, the simultaneous controls to find and fight cross-border tax fraud, and to facilitate the presence of foreign officials in the offices of tax administrations and during administrative enquiries; highlights the importance of stronger cooperation between tax authorities and other law enforcement bodies, especially with the view of sharing information acquired in relation to investigations linked to money laundering and related tax crimes;

34. Recalls that the elimination of the informal economy cannot be realised without offering appropriate incentives; suggests, moreover, that the Member States must report, via a scoreboard, the extent to which they have succeeded in reducing their informal economies;
35. Supports the efforts of the International Organisation of Securities Commissions (IOSCO) to introduce Legal Entity Identifiers as a step towards ensuring the traceability and transparency of financial transaction, which is key to facilitating the fight against tax fraud;

36. Notes that the dismantling of tax privileges creates scope for comprehensive reforms leading to an uncomplicated, understandable and fair taxation system;

37. Points out that legal proceedings against tax fraud are cumbersome and lengthy, and that those found guilty receive, in the end, relatively mild sentences, making tax fraud something of a risk-free crime;

38. Emphasises the potential of e-government in terms of increasing transparency and combating fraud and corruption, thereby helping to protect public funds; stresses the need for legislation that enables continuous innovation;

39. Calls on the Commission to address specifically the problem of hybrid mismatches between the different tax systems used in the Member States;

40. Notes, however, that as VAT is an ‘own resource’, tax evasion in that area does have a direct influence on both the economies of the Member States and the EU budget; recalls that, in the words of the Court of Auditors, ‘VAT evasion affects the financial interests of Member States; it has an impact on the EU budget as it leads to lower VAT-based Own Resources; this loss is compensated by the GNI-based own resource, distorting individual Member States’ contributions to the EU budget. Moreover, tax fraud undermines the functioning of the internal market and prevents fair competition’ (1);

41. Notes that the EU’s VAT system provides a significant part of public revenues — 21 % in 2009 (2) — but is also the cause of high levels of both unnecessary compliance costs and tax avoidance;

42. Points out that ever since VAT was introduced, the model for collecting it has remained unchanged; stresses that as this model is outdated, given the many changes that have taken place in the technological and economic environment, its continued use leads to substantial losses;

43. Stresses that the correct operation of the customs system has direct consequences in terms of the calculation of VAT; is deeply worried that customs checks in the EU are not functioning properly, resulting in significant VAT losses (3); finds it unacceptable that, in most Member States, the tax authorities have no direct access to customs data, and that automated cross-checking with tax data is therefore not possible; points out that organised crime is well aware of the weaknesses of the actual system;

44. Calls on the Commission and the Member States to consider setting up measures to enable the social reuse of funds confiscated through criminal proceedings in cases of tax fraud and tax avoidance; calls, therefore, for a substantial part of the funds confiscated to be reused for social purposes and re injected into local and regional economies directly or indirectly affected by tax crimes;

45. Calls on the Commission and the Member States to foster an environment where the role of the civil society in exposing cases of tax fraud and tax havens will be fully protected, inter alia by setting up effective systems for protecting whistleblowers and journalistic sources;

(1) Special Report of the Court of Auditors No 13/2011, p. 11, paragraph 5.
(3) According to the Court of Auditors’ Special Report No 13/2011, in 2009 the application of customs procedure 42 alone accounted for extrapolated losses of approximately EUR 2 200 million with regard to the seven Member States audited, representing 29 % of the VAT theoretically applicable on the taxable amount of all the imports effected under customs procedure 42 in those seven Member States in 2009;
On tax avoidance and aggressive tax planning

46. Calls on the Member States, as a matter of priority, to adopt and implement the amended Savings Tax Directive in order to close the loopholes of the existing Directive and prevent tax evasion in a better way;

47. Welcomes the international discussions on the updating of the OECD guidelines on transfer pricing, i.e. the shifting of profits to tax havens to avoid paying taxes in both developed and developing countries; urges the Commission and the Member States to take immediate action, and review the current rules, on transfer pricing, in particular in relation to the shift of risks and intangibles, the artificial splitting of ownership of assets between legal entities in a group, and transactions between these entities that would rarely take place between independents; calls on the Commission to develop the system of advance pricing agreement applicable to transfer pricing, whereby a new requirement would be added to the existing obligations under the EU Transfer Pricing Documentation guidelines; suggests that the documentation, as well as the tax declaration requirements, should be broader for transactions with blacklisted jurisdictions;

48. Welcomes the progress made on country-by-country reporting under the Accounting and Transparency Directives; calls on the Commission to introduce, as the next step, country-by-country reporting for cross-border companies in all sectors, enhancing the transparency of payments transactions — by requiring disclosure of information such as the nature of the company's activities and its geographical location, turn-over, number of employees on a full-time equivalent basis, profit or loss before tax, tax on profit or loss, and public subsidies received on a country-by-country basis on the trading of a group as a whole — in order to monitor respect for proper transfer pricing rules;

49. Calls on the proposal for a revision of the Anti-Money Laundering Directive to be complemented by introducing the obligation to create publically available government registers of the beneficial ownership of companies, trusts, foundations and other similar legal structures;

50. Calls on the Member States to improve the effectiveness of the Code of Conduct for business taxation by raising issues at Council level where political decisions are urgently needed; urges the Commission to intervene actively in cases where the Code of Conduct Group cannot agree on procedures to remove mismatches in national tax systems;

51. Calls on the Commission to prepare and promote a Code of Conduct for auditors and advisers; calls on auditing firms to alert national tax authorities to any signs of aggressive tax planning of the audited company;

52. Takes the view that auditors should not be allowed to provide prohibited, non-audit services, and that tax advisory services relating to structuring transactions and tax consulting must be regarded as such;

53. Notes that proper identification of taxpayers is key to the successful exchange of information between national tax administrations; calls on the Commission to speed up the creation of an EU tax identification number (TIN), applicable to all legal and natural persons engaged in cross-border transactions; is of the opinion that the TIN should be connected to an international and open VAT Information Exchange System (VIES) database, assisting in identifying the unpaid taxes and other avoided liabilities;

54. Calls on the Commission to present in 2013 a proposal for the revision of the Parent-Subsidiary Directive and the Interests and Royalties Directive, with a view to revise and align the anti/abuse clauses within both Directives and to eliminate double non-taxation as facilitated by hybrid entities and financial instruments in the EU;
55. Urges the Member States to swiftly implement the Commission's proposal for the introduction of a General Anti-Abuse Rule to counteract aggressive tax planning practices, and include a clause in their Double Taxation Conventions to prevent occurrences of double non-taxation; encourages the Member States to ignore any tax benefits arising from artificial arrangements or those lacking commercial substance; suggests that work be started on formulating for the Member States a standard set of rules on preventing double taxation;

56. Welcomes the work by the Commission on creating a European taxpayer's code; is of the opinion that such a code will help increase the legitimacy and intelligibility of the given tax system, enhance cooperation, trust and confidence between tax administrations and taxpayers, and assist taxpayers by ensuring greater transparency as regards their rights and obligations;

57. Encourages the Commission and the Member States to establish efficient revenue-collecting mechanisms that minimise the distance between taxpayers and tax authorities and maximise the use of modern technology; calls on the Commission to tackle complexities of taxing electronic commerce by developing appropriate EU standards;

58. Calls on the Member States to ensure that financial sector lobbying, which often results in legal tax avoidance and aggressive tax planning regimes, be made as transparent as possible;

59. Encourages the Commission to regulate financial flows from Member States to third countries arranged for the purposes of tax avoidance and to create a balanced and competitive tax framework;

60. Urges the Commission to take action on companies' aggressive tax planning units, in particular in the financial services sector;

61. Calls on the Commission to carry out an in-depth study into the difference, in the Member States, between legal and actual corporation tax rates in order to ensure that the debate on fiscal harmonisation is based on objective data;

62. Calls on the Member States to notify and make public individual tax rulings by national authorities for cross-border companies; insists that Member States apply strict substance requirements for cross-border companies to obtain tax rulings;

63. Observes that while trusts are often used as conduits for tax evasion, notes with concern that the majority of countries do not require registration of legal arrangements; calls on the EU to introduce a European register for trusts and other secrecy entities as a prerequisite for dealing with tax avoidance;

On tax havens

64. Calls for a common EU approach towards tax havens;

65. Welcomes the Commission's commitment to promoting the automatic exchange of information as the future European and international standard for transparency and exchange of information in tax matters; calls once more for action beyond the OECD framework to address illicit financial flows, tax evasion and avoidance in view of their various shortcomings; deplors the fact that the OECD allows governments to escape its blacklist merely by promising to adhere to the information exchange principles, without ensuring that these principles are effectively put into practice; considers also that the requirement to conclude agreements with 12 other countries so that they can be removed from the blacklist is arbitrary, as it does not refer to any qualitative indicators for an objective assessment of compliance with good governance practices;

66. Calls on the Commission to adopt a clear definition and a common set of criteria to identify tax havens, as well as appropriate measures applying to identified jurisdictions, for implementation by 31 December 2014, and to ensure that it is applied consistently throughout all EU legislation; suggests that the definition be based on the OECD standards of transparency and exchange of information as well as on the Code of Conduct principles and criteria; believes, in this regard, that a jurisdiction is to be considered a tax haven if several of the following indicators are fulfilled:

(i) advantages are accorded only to non-residents or in respect of transactions carried out with non-residents,
(ii) advantages are ring-fenced from the domestic market, so they do not affect the national tax base,

(iii) advantages are granted even without any real economic activity or substantial economic presence within the jurisdiction offering such tax advantages,

(iv) the rules for profit determination in respect of activities within a multinational group of companies departs from internationally accepted principles, notably the rules agreed upon within the OECD,

(v) the tax measures lack transparency, including where legal provisions are relaxed at administrative level in a non-transparent way,

(vi) the jurisdiction imposes no or nominal tax on the relevant income,

(vii) there are laws or administrative practices that prevent the effective exchange of information for tax purposes with other governments on taxpayers benefiting from the no or nominal taxation, breaching the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital,

(viii) the jurisdiction creates non-transparent and secretive structures that render the formation and working of company registries and registers of trusts and foundations incomplete and non-transparent,

(ix) the jurisdiction is listed as a Non-Cooperative Country and Territory by FATF;

67. Urges the Commission to compile and create a public European blacklist of tax havens by 31 December 2014; calls, in this context, on the relevant authorities:

— to suspend or terminate existing Double Tax Conventions with jurisdictions that are on the blacklist, and to initiate Double Tax Conventions with jurisdictions that cease to be tax havens,

— to prohibit access to EU public procurement of goods and services and refuse to grant state aid to companies based in blacklisted jurisdictions,

— to prohibit access to state and EU aids for companies that continue to conduct operations involving entities belonging to blacklisted jurisdictions,

— to review the Auditing and Accounting Directives so as to require separate accounting and auditing of profits and losses of each holding company of a given EU legal entity situated in a blacklist jurisdiction,

— to prohibit EU financial institutions and financial advisors to establish or maintain subsidiaries and branches in blacklisted jurisdictions and to consider revoking licenses for European financial institutions and financial advisors, which maintain branches and continue operating in blacklisted jurisdictions,

— to introduce a special levy on all transactions to or from blacklisted jurisdictions,

— to secure the abolition of exemptions from taxation at source for individuals who are non-residents for tax purposes in blacklisted jurisdictions,

— to examine a range of options for the non-recognition, within the EU, of the legal status of companies set up in blacklisted jurisdictions,

— to apply tariff barriers in cases of trade with blacklisted third countries,

— to strengthen the dialogue between the Commission and the European Investment Bank in order to ensure that investment is withheld for projects, beneficiaries and intermediaries from blacklisted jurisdictions;
International dimension

68. Is of the opinion that the minimum standards in the Commission Recommendation regarding measures intended to encourage third countries to apply minimum standards of good governance should explicitly apply to the Member States as well;

69. Encourages the Member States to offer cooperation and assistance to developing third countries which are not tax havens, helping them to tackle tax fraud and tax avoidance effectively, in particular through capacity-building measures; supports the Commission’s call that, to this end, the Member States should second tax experts to such countries for a limited period of time;

70. Calls on the Commission to fully contribute to the further development of the OECD Base Erosion and Profit Shifting (BEPS) project by sharing analysis on the problematic tax regimes in and between Member States, and on what changes are needed at Member State and EU level to avoid tax fraud and evasion as well as any form of aggressive tax planning; calls on the Commission to report regularly on this process to the Council and Parliament;

71. Stresses the need to mobilise and secure tax resources in developing countries in order to achieve the Millennium Development Goals (MDGs), as they are more predictable and sustainable than foreign assistance and help to reduce debt; notes, however, that tax resources-to-GDP ratios are low in most developing countries, which are confronted with social, political and administrative difficulties in establishing a sound public finance system, thereby making them particularly vulnerable to tax evasion and avoidance activities on the part of individual taxpayers and corporations;

72. Notes with concern that many developing countries find themselves in a very weak bargaining position towards certain foreign direct investors ‘shopping around’ for tax subsidies and exemptions; considers with respect to sizeable investments that companies should be required to make precise commitments on the positive spill-over effects of projects in terms of local and/or national economic and social development;

73. Points out that illicit outflows are a major explanation for developing country debt, while aggressive tax planning is contrary to the principles of corporate social responsibility;

74. Notes that tax systems in many developing countries are not in line with international standards (instead exhibiting weak fiscal jurisdiction and inefficiencies in tax administration, high levels of corruption, insufficient capacity to introduce and sustain well-functioning tax registers, etc.); calls on the EU to upgrade its assistance, within the remit of the Development Co-operation Instrument (DCI) and the European Development Fund (EDF) in terms of tax governance and in addressing international tax fraud and excessive optimisation, by building up the capacity of developing countries to detect and prosecute inappropriate practices through stronger tax governance cooperation; considers also that support should be provided for the economic reconversion of developing countries that are tax havens;

75. Welcomes the first steps taken with the Global Forum (GF) peer reviews on tax evasion; believes, however, that, by focusing on the OECD’s ‘upon request’ information exchange system, GF standards will be ineffective in curtailing illicit financial flows;

76. Points out that, by reinforcing a bilateral rather than a multilateral approach to transnational tax issues, double taxation agreements (DTA) risk encouraging transfer pricing and regulatory arbitrage; calls on the Commission, therefore, to refrain from promoting such agreements, instead of tax information exchange agreements (TIEAs), since the former usually result in a fiscal loss for developing countries through lower withholding tax rates on dividend, interest and royalty payments;
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Annual tax report: how to free the EU potential for economic growth

European Parliament resolution of 21 May 2013 on the Annual Tax Report: how to free the EU potential for economic growth (2013/2025(INI))

(2016/C 055/08)

The European Parliament,

— having regard to Article 3 of the Treaty on European Union (TEU) and Articles 26, 110-115 and 120 of the Treaty on the Functioning of the European Union (TFEU),


— having regard to the Commission proposal for a Council Decision authorising enhanced cooperation in the area of financial transaction tax (COM(2012)0631),


— having regard to its position of 11 September 2012 on corporate taxation: common system of taxation applicable to interest and royalty payments (recast) (1),

— having regard to the Commission Communication of 27 June 2012 on concrete ways to reinforce the fight against tax fraud and tax evasion including in relation to third countries (COM(2012)0351),

— having regard to the Commission Communication of 6 December 2012 on An Action Plan to strengthen the fight against tax fraud and tax evasion (COM(2012)0722),

— having regard to the Commission recommendation of 6 December 2012 on aggressive tax planning (C(2012)8806),

— having regard to the Commission recommendation of 6 December 2012 regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (C(2012)8805),

— having regard to the Commission Communication of 14 December 2012 on strengthening the Single Market by removing cross-border tax obstacles for passenger cars (COM(2012)0756),


— having regard to the Commission report on public finances in EMU (European Economy no. 4/2012),

— having regard to its resolution of 16 January 2013 on public finances in EMU — 2011 and 2012 (2),